

ODP 091-77

14 JAN 1977

ILLEGIB

MEMORANDUM FOR: Deputy Director for Administration

FROM : Clifford D. May, Jr.
Director of Data Processing

SUBJECT : Inspector General Survey of the DDA

REFERENCE : Your Draft Memo to the DDCI through the IG,
dtd 10 January 1977, Same Subject

The Office of Data Processing has examined and concurs in the findings and recommendation regarding ODP which are contained in the recent Inspector General's Survey Report on the DDA. It is suggested that the DDA comments point out that the management questions addressed in Recommendation No. 15 are under study in the EAG.

STATINTL

Clifford D. May, Jr.

cc: C/MS/ODP
DC/MS/ODP
C/P&PG/MS/ODP

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13 January 1977

MEMORANDUM FOR: Associate Deputy Director for Administration

FROM : James H. McDonald
Director of Logistics

SUBJECT : IG General Survey of the DDA

Pursuant to your request for proposed responses from the Office of Logistics to the subject report, attached hereto are drafts of suggested replies to Recommendations 9, 10, 12, and 13. The replies to Recommendations 12 and 13 have been coordinated with and concurred in by the Deputy Director of Finance.



/ James H. McDonald

STATINTL

Atts

cc: DD/Fin

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Approved For Release 2005/11/29 : CIA-RDP80-00473A000400020007-3

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RECOMMENDATION NO. 9

While ~~the~~ recommendation appears to be a practical solution to the question of liaison with other government activities, the term "routine administrative contacts" lacks positive limits and forces a subjective judgment on the part of responsible officers. Furthermore, the Office of Logistics (OL) memorandum dated 7 September 1976 (OL 6 4467) to the Deputy Director for Administration (DD/A) requested his approval to continue a number of on-going support activities with other government agencies. Since the DD/A approved those actions on 20 December 1976, it would logically follow that the administrative contacts necessary to accomplish and continue those support functions are also authorized. Therefore, the implementation of the recommendation as it is currently stated would be redundant and an unnecessary action.

With regard to

RECOMMENDATION # 10

you should be aware that

The Office of General Counsel has been requested to establish a legal position on the Agency's authorities to dispose of obsolete, but sensitive materiel.

~~RECOMMENDATION NO. 12~~

Recommendation 12 suggests the establishment of a quicker system of invoice processing and payment to contractors. We agree that slow payment to contractors has been a problem over the years but not for the reason stated in Paragraph B.1 (page 25) of the ~~Audit~~ report. There is no problem with processing of invoices from OL to OF since invoices are, in most cases, mailed directly to ~~the Certification and Audit Division~~ ^{Finance} within OF. The problem has been the time involved with performance of required tests and inspection necessary for acceptance and the processing of the receiving report to OF where it must be matched up with the contractor invoice prior to payment...

A procedure which does provide for expedited payment to selected contractors was developed in late 1975 between OF and OL. This procedure dated 18 December 1975) allows issuance of interim receiving reports upon physical receipt of property and, while it has been in effect for only one year, has already contributed greatly to solving the problem in question.

Over the past two years a task force consisting of ~~Supply Division~~ OL and ~~Audit and Certification~~ OF ~~representatives~~ has met regularly to identify problem areas, to recommend corrective actions, and to develop new procedures aimed toward expediting payments. In addition to the quick-pay procedures previously cited, the task force has arranged an exchange of tours and briefings between OL ~~and~~ and OF ~~and~~

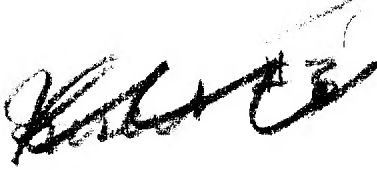
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personnel and is currently exploring the feasibility of
inputting receiving information into an ADP system which
would assist ~~ATL/OF~~ in the processing of invoices.

In summary we have already made substantial progress
toward solving the problem of slow vendor payments. We
will continue to work on this problem to reduce even
further the interval between receipt of supplies and payment
to vendors.

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RECOMMENDATION NO. 13


Recommendation 13 suggests that the DDA address the issue of establishing written standards on waiving ~~of~~ contract audits of small dollar procurement contracts. This subject, along with others mentioned in the narrative portion of paragraph B.2, has been discussed at some length between representatives of OF and OL in the course of working out a Memorandum of Understanding between these two offices on interface relationships. The current proposal by OL is that ^{OF} ~~OF/CSAD~~ will audit all cost-type or fixed-price contracts containing price redetermination audit provisions which are in excess of \$10,000 or any other contracts which the ~~Contracting Officer~~ ^{Contracting Officer} or the ~~CSAD~~ ^{Finance} determines should be audited." This language establishes a general rule but retains flexibility which would allow either OF or OL to request audit on small dollar contracts if such action seems warranted. This is not a significant problem and will be resolved when the Memorandum of Understanding between OF and OF is executed. The procedure included in the draft Memorandum of Understanding is consistent with that of the Defense Contract Audit Agency.

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Unfortunatly, a
person has not been
among our current
allocation which could
be made for this
person.

ADDA

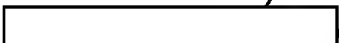
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DDA 77-0028

Subject: IG Survey Relating to the DDA

1. I think this is a good, concise report. I do feel that their recommendations are not necessarily those within the purview of the DDA; for example, Recommendation No. 2 on obtaining from the DCI relief on the current moratorium on use of media personnel. In addition, recommendations are made toward having the DDA establish criteria for approving office assistance to other Government agencies. Requests were made of (Over...)

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6 Jan

OGC for blanket approval to provide routine assistance, but those requests were turned down. The problem seems clearly to be in the court of OGC and Tony Lapham's memo requesting that all such requests be referred to OGC.

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Distribution:

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1 RS - DDA Subject
1 RS - DDA Chrono
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Attachment: IG Survey of the DDA

Background: DDA 77-0028, Memo for DDA from IG, dated 27 Dec 1976,
Subject: IG Survey of the DDA.